

VZCZCXRO1141
RR RUEHDT RUEHPB
DE RUEHHM #0066/01 0180913
ZNR UUUUU ZZH
R 180913Z JAN 07
FM AMCONSUL HO CHI MINH CITY
TO RUEHC/SECSTATE WASHDC 2011
INFO RUEHHI/AMEMBASSY HANOI 1459
RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE
RHEHNSC/WHITE HOUSE NATIONAL SECURITY COUNCIL WASHINGTON DC
RUEHHM/AMCONSUL HO CHI MINH CITY 2176

UNCLAS SECTION 01 OF 03 HO CHI MINH CITY 000066

SIPDIS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PHUM](#) [SOCI](#) [ECON](#) [EINV](#) [KIPR](#) [ETRD](#) [VM](#)

SUBJECT: VIETNAM'S MUSIC INDUSTRY: PARTY CONTROL AND IPR ISSUES

HO CHI MIN 00000066 001.2 OF 003

¶1. (SBU) Summary: Three leading pop musicians told us that Vietnam's music industry remains constrained by rampant violations of Intellectual Property Rights (IPR) and direct and indirect government controls over content and presentation. The singers were optimistic that Vietnam's global integration would lead to a strengthening of its IPR-enforcement regime. However, so long as the Government and Communist Party oversee virtually all aspects of the music business -- from approving song lyrics to licensing and renting out concert venues -- it is hard to see how musicians will be able to harness the power of music to promote social change and new thinking in Vietnam. End Summary.

Introduction

¶2. (SBU) Pop music and pop musicians play an increasingly influential role in Vietnamese society, especially among Vietnam's youth. While the Communist Party may still opt for patriotic standards, millions of ordinary Vietnamese choose the modern pop songs being belted out on CDs and in nightclubs flourishing in major cities. ConGenOffs recently met with three singer/songwriters -- HCMC-based leaders in the Vietnamese pop music business -- to discuss the state of Vietnam's music industry, issues of State control, Intellectual Property Rights (IPR) and CD piracy. Le Quang is a prolific songwriter and composer who has been in the music business for 17 years. He has also been a performer and the owner of a popular HCMC night club. Dam Vinh Hung has been performing for ten years and is regarded by many to be the preeminent male vocalist in Vietnam. Phuong Thanh has been a singer for 16 years and is among the top female vocalists in Vietnam.

No IPR Protection

¶3. (SBU) The singers tell us that Vietnam's music business is very tough, principally because of a lack of IPR protection. Most Vietnamese singers get their bread and butter from live appearances on television and in concert. For VND 50,000 to 140,000, depending on the popularity of the performer (USD 3 to 9), fans of all ages pour into concert halls to enjoy three hours of music by Vietnam's vocalists. For those at the top, concerts and overseas tours can bring them hefty six-figure USD incomes. Others take up grueling tour schedules just to make ends meet in part because Vietnam's lax IPR protections mean that their CDs are pirated, sometimes just hours after their official release.

¶4. (SBU) Although the protection of foreign intellectual property receives the majority of media and corporate attention in Vietnam, IPR continues to be a major concern for local artists. Quang described the situation as "out of control for local artists." He is seldom paid his due royalties and artists rarely ask permission to use his works. Quang has never filed grievances with the authorities because he anticipates that it will not lead to a satisfactory result. Quang has had some success, however, in obtaining minimal compensation from IPR violators in unofficial arbitration proceedings. He noted that Vietnamese song writers have begun to band together to press singers and other users of their intellectual property for compensation.

¶5. (SBU) Quang said that CD piracy is rampant in Vietnam in part because of popular ignorance. With pirated CDs so widely available, some Vietnamese are not aware that the copy they are buying is illegal. Quang noted that, apart from genuine fans who are willing to pay for genuine CDs for their collections, the artistic value of Vietnamese music is not highly appreciated. Many people buy cheap CDs, listen to them a few times and throw them away. Costs also play a role in proliferating IPR violations. Many pop music fans are teenagers who cannot afford to buy genuine CDs and so they buy the pirated ones. The cost of a genuine, new-release music CD is roughly VND 50,000 (USD 3.25). A pirated CD costs between VND 6,000 to 16,000 (between 37.5 cents and one dollar). Quang estimated that total losses to Vietnamese artists from piracy are, at a minimum, tens of billion of VND (millions of dollars) every year. Anecdotal, Hung knows a producer of pirated CDs who admitted to selling at least 200,000 of Dam Vinh Hung's CDs alone.

¶6. (SBU) According to Thanh, another side effect of piracy is that Vietnamese artists often do not put their best effort into producing a CD. They are less motivated

HO CHI MIN 00000066 002.2 OF 003

because they know they won't be fairly compensated because of piracy.

¶7. (SBU) The artists acknowledged that the GVN has carried out a few investigations and anti-piracy raids. One raid netted several million counterfeit CDs. However, due to the lack of a comprehensive IPR enforcement strategy, the situation remains largely unchanged after each operation. When one CD pirate is put out of business temporarily, another is ready to take his place. Quang added that Vietnam's proximity to China -- what he termed the "IPR violation center of the world" -- stymies the limited enforcement efforts of GVN authorities. He noted that during a recent crackdown campaign, local pirating/copying was suspended and replaced by CDs produced in China and smuggled into Vietnam for sale.

¶8. (SBU) Quang believes that current financial and criminal penalties against IPR violators are inadequate. The maximum fine of 100 million VND (6,250 USD) is not a deterrent and is seen as a cost of doing business. Fines should be higher and the authorities should have the ability to revoke the business licenses of pirated goods, he suggested.

Government Control and Censorship

¶9. (SBU) The three performers acknowledged pervasive direct and indirect government controls over their artistic creativity. There are clear restrictions on song content. Songs that contain tragic lyrics, references to misery and loss in the Vietnam War, soldiers, or covers of pre-war songs from the Republic of Vietnam almost certainly will not pass the censor's scrutiny. That said, Hung noted a

slight easing of censorship compared to a decade ago. For example, artists are now permitted to perform some pre-war songs in clubs (although they can not release them on CD). Another example is the return to Vietnam and rehabilitation of well-known American Viet Kieu songwriter Pham Duy, who until recently had been called "a traitor" and "a reactionary element." (Note: Duy fled the North around 1955 and later worked for "Radio Saigon" during the Vietnam War. End note.) Since granting permission for Duy to return to Vietnam, the GVN has allowed him to release CDs and perform on stage, although his material is limited to love ballads, patriotic standards and other non-controversial content. Foreign -- principally English -- songs that have been translated into Vietnamese now are banned unless the singer can show that royalties were paid in compliance with international IPR protection standards.

¶10. (SBU) The singers also noted official supervision of hair styles and costumes of singers had been on the rise, even though the regulations are not defined clearly. According to Hung, the government is always concerned that youth tend to imitate what their idols are doing which may affect Vietnamese habits and customs. Thanh has encountered instances when a Ministry of Culture and Information official decided "arbitrarily" that a costume is not acceptable and she had to pay a fine. Thanh also told us that her government minders expressed disapproval for her having a child out-of-wedlock, citing concerns about the message for young fans. (Note: Thanh did not say who the father of her child is, but he works for the Office of Government. His family reportedly did not want to accept a singer as a daughter-in-law. End note.)

¶11. (SBU) The content and program of all concerts must be approved by a representative of the Ministry of Culture and Information. Thanh noted that, after approval, live concerts usually are not monitored closely, although she has had some shows during which officials attempted to halt the show for "various reasons." She ignored them and did not suffer any repercussions. Hung added that he assumes that his concerts in the United States are monitored as well. Official delegations appointed by the government to perform abroad are accompanied by the cultural affairs section of the Ministry of Public Security (known by its internal designation of A-25).

Producing a CD

¶12. (SBU) Producing a CD generally takes two to six months, although, a special CD can take up to two years to make. Once the artist has chosen the concept or theme of the CD, he or she chooses the songs and -- if the artist complies with the law -- pays royalties. After arranging and recording the songs, the artist creates a cover design for

HO CHI MIN 00000066 003.2 OF 003

the CD. Once the artistic process is completed, the material must be submitted to the local Department of Culture and Information for vetting. After the local Department of Culture and information approves the content, the Ministry of Culture and Information must grant final approval, after which it will issue a license. So long as the artist complies with government restrictions on content, the licensing process is relatively straightforward, our contacts noted.

¶13. (SBU) Hung encountered one instance when his license was nearly revoked just days before a CD was set to be released. All of the cuts on the CD were pre-1975 songs, but inoffensive standards that complied with GVN standards. He followed the regulations in submitting all titles to the Ministry of Culture and Information and had all titles approved. Days before the CD was released, someone in the Ministry noticed that one of the titles was a song that had been banned. In reality, it was a song with the same title

but written by a different composer. The license was restored, and the CD was released on time.

Comment: A Gilded Musicbox

¶14. (SBU) Comment: The singers were optimistic that global integration would increase opportunities for artistic expression inside Vietnam and slowly strengthen enforcement of their IPR rights. However, we are less certain about how Vietnamese musical creativity will be unleashed and the extent to which music will be a force for social change. While our pop star contacts were keenly aware that they could influence young people through their music, they were unwilling or unable to articulate how and when they would be prepared to tackle more controversial issues. Under the present system, self-censorship is a bigger problem than overt, official censorship. Edgier, budding musicians know that they would have their microphones unplugged and their CDs banned should they dare to touch on "unacceptable" social or political issues. Established stars such as Hung, Thanh and Quang know that they can enjoy stardom and a relatively a comfortable living as long as they follow GVN and Party parameters, both explicit and implicit. End Comment.
WINNICK